



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: NC Am. Indian Hunting/Fishing Rights.
Bill Number: House Bill 103 (First Edition)
Sponsor(s): Rep. R. Pierce, Rep. Clampitt, Rep. Lowery, and Rep. Ward

SUMMARY TABLE

FISCAL IMPACT OF H.B.103, V.1

| | <u>FY 2025-26</u> | <u>FY 2026-27</u> | <u>FY 2027-28</u> | <u>FY 2028-29</u> | <u>FY 2029-30</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Wildlife Resources Commission (WRC) | | | | | |
| General Fund Revenue | (127,279) | (245,960) | (243,761) | (241,942) | (240,494) |
| Less Expenditures | - | - | - | - | - |
| General Fund Impact | (127,279) | (245,960) | (243,761) | (241,942) | (240,494) |
| Division of Marine Fisheries (DMF) | | | | | |
| General Fund Revenue | (24,907) | (23,833) | (22,805) | (21,822) | (20,881) |
| Less Expenditures | - | - | - | - | - |
| General Fund Impact | (24,907) | (23,833) | (22,805) | (21,822) | (20,881) |
| NET STATE IMPACT | (152,186) | (269,793) | (266,566) | (263,764) | (261,375) |

FISCAL IMPACT SUMMARY

The bill exempts members of Indian tribes from licensure requirements to hunt, fish, and trap off tribal land. The estimated loss in revenue for the State is about \$152,186 in the first year and \$269,683 in the second year. The decrease in revenue becomes greater in the second year of the policy due to a reduction in federal funding effective in year two.

FISCAL ANALYSIS

The bill amends G.S. 113-276(1) to expand the current hunting, fishing, and trapping license exemption for members of Indian tribes. Currently, members of Indian tribes recognized under Chapter 71A of the General Statutes are exempt from hunting, fishing, or trapping licensure requirements if they are only pursuing such activities on tribal land. This expansion would allow members of an Indian tribe to hunt, fish, and trap without a State issued license off tribal land. This legislation would impact both the Wildlife Resources Commission (WRC) and the Division of Marine Fisheries (DMF) at the Department of Environmental Quality (DEQ) as each of these entities earn annual revenue from license sales.

Exempting a portion of the State's population from the licensure requirement to hunt, fish, and trap would likely decrease the annual residential license revenues of WRC and DMF. WRC collects revenue from all hunting and inland fishing licenses, while DMF collects revenue from all coastal recreational fishing licenses (CRFL).

WRC, which operates the State's license purchasing platform, does not collect demographic data that would allow for the identification of the number of licenses sold to members of recognized Indian tribes. As a substitution for that data, the portion of the State's population that identifies as a member of a recognized Indian tribe is applied to the estimated annual revenue of license sales to determine the fiscal impact of exempting the population from licensure requirements. This analysis was performed under the assumption that the proportional population estimate for members of recognized Indian tribes in the State is equal to the portion of members of recognized Indian tribes purchasing hunting, fishing, and trapping licenses annually.

This analysis is exclusive to the revenue attributed to residential sales as only residents of the State would qualify for the exemption as a member of a State recognized tribe.

Population Estimate for Members of Recognized Indian Tribes

A population percentage estimate of 0.68% was used in this analysis as the portion of that State's total population consisting of members of recognized Indian tribes as defined in G.S. 113-276(1). This estimate was derived using data from the 2020 Census Detailed Demographic and Housing Characteristic File A, summarized by the North Carolina Office of State Budget and Management (OSBM). In the 2020 Census, 71,410 North Carolinians identified as being a member of a recognized Indian tribe as defined in G.S. 113-276(1), which accounts for 0.68% of the State's total population in the 2020 Census.

Historic Decrease in License Sales Revenue

The total number of license sales and associated revenue has decreased for the past three fiscal years. Residential license sales revenue at WRC has decreased at a rate of 4.76% over the past three years and DMF's revenue has decreased at a rate of 4.31% over the same period and can be assumed to continue at those rates. To estimate license sales revenue for the next five years, each agency's expected revenue decrease is applied to the previous year's license revenue for five years.

Recent Increase in License Prices

The price of all hunting, fishing, and trapping licenses was increased by 18.75% beginning July 2024 by the Wildlife Resources Commission as allowed by G.S. 113-270.1B(e). Assuming the revenue of license sales increases at the same rate and there is no change in purchasing behavior by those buying licenses, there will be an estimated 18.75% revenue increase applied to future revenue. To estimate revenue changes from the price increase over the next five years, an addition of 18.75% is applied to the revenue estimates inclusive of anticipated continued decline in sales (see Table 1 for annual revenue estimates).

Proportional Decrease in Sales Revenue

Assuming the proportional population estimate for members of recognized Indian tribes mirrors the population of North Carolinians purchasing hunting, fishing, and trapping licenses, 0.68% of revenue from license sales can be attributed to members of recognized Indian tribes. The exemption

of members of recognized tribes from the licensure requirement would cause an estimated 0.68% decrease in total revenue from license sales.

Table 1. Anticipated license sales revenue losses by agency. The WRC and DMF anticipated license revenue losses reflect 0.68% of each agency’s estimated license revenue.

| | WRC Estimated License Revenue | WRC Anticipated Revenue Losses from Exemption | DMF Estimated License Revenue | DMF Anticipated Revenue Losses from Exemption | Total Anticipated License Revenue Losses |
|-----------------------------------|--|--|--|--|---|
| FY 2024-25 ^{1, 2} | \$18,606,791 | (\$127,279) | \$3,641,211 | (\$24,907) | (\$152,186) |
| FY 2025-26 | \$17,721,986 | (\$121,226) | \$3,484,168 | (\$23,833) | (\$145,059) |
| FY 2026-27 | \$16,879,256 | (\$115,462) | \$3,333,898 | (\$22,805) | (\$138,267) |
| FY 2027-28 | \$16,076,599 | (\$109,971) | \$3,190,109 | (\$21,822) | (\$131,793) |
| FY 2028-29 | \$15,312,112 | (\$104,742) | \$3,052,521 | (\$20,881) | (\$125,622) |

¹ In FY 2024-25 the 18.75% license price increase goes into effect causing an increase in overall residential statewide license sales.

² Beginning with FY 2024-25, the 3-year rate decrease for WRC of 4.76% and DMF of -4.31% is applied respectively to the annual estimates of residential statewide sales.

³ The anticipated revenue losses are calculated by applying the 0.68% population estimate for members of recognized Indian tribes to the estimated license revenues

WRC’s Federal Draw Down Impact

WRC draws down two federal funding sources for wildlife conservation, recreation, and education which are directly connected to the number of licenses sold in the State. These two US Fish and Wildlife programs, the Wildlife Restoration Program (also known as the Pittman-Roberston fund) and the Sport Fish Restoration Fund (also known as the Dingell-Johnson fund), are distributed to states based on a funding formula that includes the number of licenses sold in a state. A decrease in the number of sales would decrease the funding provided to WRC.

The Wildlife Restoration Program bases about 40% of its distribution formula on the number of license sales in a state. Taking the past ten years of Wildlife Restoration distributions to North Carolina, there has been a ten-year increase of about 3.37%. Table 2 below shows the anticipated impact on the Wildlife Restoration Program from a 0.68% reduction in license sales.

The Sport Fish Restoration fund bases 60% of its distribution formula on the number of licenses sold in a state. Taking the past ten year of Sport Fish Restoration distributions to North Carolina, there has been a ten-year increase of about 2.2%. Table 2 below shows the anticipated impact on the Sports Fish Restoration fund from a 0.68% reduction in license sales.

The federal impact estimates were made under the assumption that other states licensing rates will hold constant and that federal funding availability for these programs will remain constant.

Table 2. Anticipated federal funding decreases from reduced license sales.

| | Wildlife Restoration Program Anticipated Decrease | Sport Fish Restoration Program Anticipated Decrease | Total Anticipated Decrease in Federal Funding |
|--------------------------------|--|--|--|
| FY 2024-25 ¹ | -- | -- | -- |
| FY 2025-26 | (\$70,285) | (\$54,450) | (\$124,734) |
| FY 2026-27 | (\$72,651) | (\$55,649) | (\$128,300) |
| FY 2027-28 | (\$75,097) | (\$56,875) | (\$131,971) |
| FY 2028-29 | (\$77,625) | (\$58,127) | (\$135,752) |

¹ Federal funds have already been released for FY 2024-25; a decrease in number of licenses sold will begin to have an impact in FY 2025-26.

Total Anticipated Revenue Losses for WRC and DMF

Table 3 below shows a five-year summary of the anticipated revenue losses for WRC and DMF due to a reduction in license sales by exempting members of State recognized Indian tribes from licensure requirements to hunt, fish, and trap.

Table 3. Anticipated total funding decrease for DMF and WRC from a reduction in license sales.

| | WRC Anticipated License Revenue Losses | WRC Anticipated Decrease in Federal Funding | Total WRC Anticipated Losses | Total DMF Anticipated Revenue Losses |
|-------------------|---|--|-------------------------------------|---|
| FY 2024-25 | (\$127,279) | -- | (\$127,279) | (\$24,907) |
| FY 2025-26 | (\$121,226) | (\$124,734) | (\$245,960) | (\$23,833) |
| FY 2026-27 | (\$115,462) | (\$128,300) | (\$243,761) | (\$22,805) |
| FY 2027-28 | (\$109,971) | (\$131,971) | (\$241,942) | (\$21,822) |
| FY 2028-29 | (\$104,742) | (\$135,752) | (\$240,494) | (\$20,881) |

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

North Carolina Division of Marine Fisheries
 North Carolina Office of State Budget and Management
 North Carolina Wildlife Resources Commission
 US Fish and Wildlife – Wildlife Restoration Program
 US Fish and Wildlife – Sport Fish Restoration Program

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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